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13 UNITED STATES DISTRICT COURT
14 FOR THE NORTHERN DISTRICT OF CALIFORNIA
15 SAN JOSE DIVISION

16 SPACE DATA CORPORATION,
17 Plaintiff,
18 v.
19 ALPHABET INC., and GOOGLE LLC,
20 Defendants.
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Case No. 5:16-cv-03260-BLF

**PLAINTIFF SPACE DATA
CORPORATION'S ANSWER AND
AFFIRMATIVE DEFENSES TO
DEFENDANTS ALPHABET INC. AND
GOOGLE LLC'S COUNTERCLAIMS**

Judge: Hon. Beth Labson Freeman
Date Filed: June 13, 2016
Trial Date: August 5, 2019

JURY TRIAL DEMANDED

28 PLAINTIFF SPACE DATA CORPORATION'S
ANSWER AND AFFIRMATIVE DEFENSES
TO DEFENDANTS' COUNTERCLAIMS

Case No. 5:16-cv 03260-BLF (NC)

ALPHABET INC. AND GOOGLE LLC's COUNTERCLAIMS

1. Space Data sets forth by reference paragraphs 1 through 404 of its Third Amended Complaint in their entirety as if fully set forth herein. No response to Google's Affirmative Defenses is required.

NATURE OF THE ACTION

2. Space Data admits that Google purports to seek "an order declaring that Google does not infringe any valid claim of the '941, '503, '706, or '193" Patents but denies that Google is entitled to such an order. The remaining allegations in this paragraph are legal conclusions to which no response is required.

THE PARTIES

3. Space Data admits that Alphabet Inc. is a Delaware corporation with its principal place of business at 1600 Amphitheatre Parkway, Mountain View, California 94043-1351.

4. Space Data admits that Google LLC is a Delaware limited liability company with its principal place of business at 1600 Amphitheatre Parkway, Mountain View, California 94043-1351.

5. Space Data admits that it is an Arizona corporation with its principal place of business at 2535 W. Fairview Street, Suite 101, Chandler, Arizona 85224-4707.

JURISDICTION AND VENUE

6. Space Data admits that Google purports to bring its claims for declaratory relief under Title 35 of the United States Code. Space Data further admits that this Court has subject matter jurisdiction over certain patent infringement and invalidity counterclaims under 28 U.S.C. §§ 1331, 1338, 2201, and 2202. Space Data denies any remaining allegations of this paragraph.

7. Space Data admits it is prosecuting its Complaint against Google in this Court. Space Data admits that the parties have a December 1, 2007 Mutual

1 Confidentiality and Nondisclosure Agreement. Space Data denies any remaining
2 allegations in this paragraph.

3 8. The allegations in this paragraph are legal conclusions to which no
4 response is required. To the extent a response is required, Space Data denies the
5 allegations.

6 **FACTS COMMON TO ALL COUNTS**

7 9. Space Data admits it filed the underlying action against Google alleging,
8 among other things, that Space Data is the owner of the '941, '503, '706, and '193
9 patents and that Google has infringed and is currently infringing the claims of the '941,
10 '503, '706, and '193 Patents listed in Space Data's Election of Asserted Claims. Space
11 Data denies any remaining allegations in this paragraph.

12 10. Space Data admits that Google has denied its claims of patent
13 infringement and that Google avers that certain of the claims of the '941, '503, '706, and
14 '193 Patents are invalid. Space Data denies any remaining allegations in this paragraph.

15 11. Space Data admits that there exists a substantial and actual controversy
16 between Google and Space Data with respect to infringement and invalidity of the claims
17 of the '941, '503, '706, and '193 Patents listed in Space Data's Election of Asserted
18 Claims. Space Data denies that there exists a substantial and actual controversy between
19 Google and Space Data with respect to infringement or invalidity of any other claims of
20 the '941, '193, '503, and '706 Patents. The remaining allegations in this paragraph are
21 legal conclusions to which no response is required. To the extent a response is required,
22 Space Data denies the remaining allegations in this paragraph.

23 **COUNTERCLAIM 1: DECLARATORY JUDGMENT OF**
24 **NON-INFRINGEMENT OF U.S. PATENT NO. 6,628,941**

25 12. Space Data incorporates by reference its responses to the allegations of
26 paragraphs 1 through 11 above as its response to this paragraph.

1 13. Space Data denies the allegations in this paragraph.

2 14. Space Data denies the allegations in this paragraph.

3 15. Space Data denies the allegations in this paragraph.

4 16. Space Data admits there exists an actual, continuing, justiciable case or
5 controversy between Google and Space Data as to whether the claims of the '941 Patent
6 listed in Space Data's Election of Asserted Claims are infringed by Google. Space Data
7 denies that there exists an actual, continuing, justiciable case or controversy between
8 Google and Space Data with respect to any other claims of the '941 Patent. Space Data
9 denies any remaining allegations in this paragraph.

10 17. Space Data denies the allegations in this paragraph.

11 **COUNTERCLAIM 2: DECLARATORY JUDGMENT OF**
12 **INVALIDITY OF U.S. PATENT NO. 6,628,941**

13 18. Space Data incorporates by reference its responses to the allegations of
14 paragraphs 1 through 17 above as its responses to this paragraph.

15 19. Space Data denies the allegations in this paragraph.

16 20. Space Data admits that it did not invent the idea of using high-altitude balloons
17 for purposes of communication. Space Data denies that any patents, patent applications,
18 and other references, individually and/or in combination, disclose the asserted claims of
19 the '941 Patent. Space Data denies that the asserted claims of the '941 Patent are
20 anticipated and/or rendered obvious by Campbell, Lanzerotti, Ibanez-Meier, Seligsohn I,
21 Tuval, Gover, Wong, Ayyagari, Struble, Carten, Raven Report, Cirrus Report, and
22 Djuknic. Space Data denies that Exhibit A demonstrates that each of these references
23 anticipates and/or renders obvious, alone or in combination with any one of the other
24 references, the asserted claims of the '941 Patent. The remaining allegations of this
25 paragraph are legal conclusions to which no response is required. To the extent a
26 response is required, Space Data denies the remaining allegations.

1 21. Space Data denies the allegations in this paragraph.

2 22. Space Data denies that the '941 Patent is invalid under 35 U.S.C. § 112. Space
3 Data denies that a person of ordinary skill in the art would not have understood Space
4 Data to be in possession of the claimed invention, would not have been able to make use
5 of the alleged invention without undue experimentation, and would not have understood
6 what the claims mean. Space Data admits that certain claims of the '941 Patent include a
7 limitation stating "free floating without any longitudinal and latitudinal position control."
8 Space Data denies that the '941 Patent contains a negative limitation that is not
9 adequately supported by the specification. Space Data denies any remaining allegations
10 in this paragraph.

11 23. Space Data admits that certain claims of the '941 Patent use the phrase "wherein
12 said at least one of said communications devices is capable of handing off
13 communication with said first platform to said second platform as said first platform
14 moves out of a communication range of said at least one of said communications
15 devices." Space Data denies that the '941 Patent does not adequately explain how such
16 communications devices would hand off communication from one balloon to another.
17 Space Data denies that the specification of the '941 Patent does not adequately describe
18 the criteria for determining when to perform hand off. Space Data denies that failure to
19 adequately describe how communications devices would hand off communication from
20 one balloon to another or the criteria for determining when to perform hand off would
21 render the claims of the '941 Patent invalid for lack of written description and/or
22 enablement. Space Data denies that any claims of the '941 Patent fail for lack of written
23 description and/or enablement. Space Data denies any remaining allegations in this
24 paragraph.

25 24. Space Data denies the allegations in this paragraph.

26 25. Space Data denies the allegations in this paragraph.

26. Space Data admits there exists an actual, continuing, justiciable case or controversy between Google and Space Data as to whether the claims of the '941 Patent listed in Space Data's Election of Asserted Claims are valid. Space Data denies that there exists an actual, continuing, justiciable case or controversy between Google and Space Data with respect to the validity of any other claims of the '941 Patent. Space Data denies that there exists an actual, continuing, justiciable case or controversy between Space Data and Google as to the enforceability of any claims of the '941 Patent. Space Data denies any remaining allegations in this paragraph.

27. Space Data denies the allegations in this paragraph.

**COUNTERCLAIM 3: DECLARATORY JUDGMENT OF
NON-INFRINGEMENT OF U.S. PATENT NO. 9,632,503**

28. Space Data incorporates by reference its responses to the allegations of paragraphs 1 through 27 above as its responses to this paragraph.

29. Space Data denies the allegations in this paragraph.

30. Space Data denies the allegations in this paragraph.

31. Space Data denies the allegations in this paragraph.

32. Space Data admits there exists an actual, continuing, justiciable case or controversy between Google and Space Data as to whether the claims of the '503 Patent listed in Space Data's Election of Asserted Claims are infringed by Google. Space Data denies that there exists an actual, continuing, justiciable case or controversy between Google and Space Data with respect to any other claims of the '503 Patent. Space Data denies any remaining allegations in this paragraph.

33. Space Data denies the allegations in this paragraph.

**COUNTERCLAIM 4: DECLARATORY JUDGMENT OF
INVALIDITY OF U.S. PATENT NO. 9,632,503**

1 34. Space Data incorporates by reference its responses to the allegations of
2 paragraphs 1 through 33 above as its responses to this paragraph.

3 35. Space Data denies the allegations in this paragraph.

4 36. Space Data admits that it did not invent the idea of using high-altitude balloons
5 for purposes of communication. Space Data denies that any patents, patent applications,
6 and other references, individually and/or in combination, disclose the asserted claims of
7 the '503 Patent. Space Data denies that the asserted claims of the '503 Patent are
8 anticipated and/or rendered obvious by Knoblach, Campbell, Flickinger, Campbell '248,
9 Seligsohn I, GAINS Instrumentation, Chocoi, ICAO, FAA 101, Anderson, Holder,
10 Jumper, and Smith. Space Data denies that Knoblach, Campbell, Flickinger, Campbell
11 '248, Seligsohn I, GAINS Instrumentation, Chocoi, ICAO, FAA 101, Anderson, Holder,
12 Jumper, and Smith disclose "balloon communications system as well as the balloon
13 components and flight-termination devices claimed by the '503" Patent. Space Data
14 denies that Exhibit B demonstrates that each of these references anticipates and/or
15 renders obvious, alone or in combination with any one of the other references, the
16 asserted claims of the '503 Patent. The remaining allegations of this paragraph are legal
17 conclusions to which no response is required. To the extent a response is required, Space
18 Data denies the remaining allegations.

19 37. The allegations of this paragraph set forth speculation, argument, and legal
20 conclusions to which no response is required. To the extent a response is required, Space
21 Data denies the allegations in this paragraph.

22 38. Space Data denies that the '503 Patent is invalid under 35 U.S.C. § 112. Space
23 Data denies that any of the claims of the '503 Patent are invalid as indefinite because of
24 lack of antecedent basis. Space Data admits that independent claims 1, 6, and 15 of the
25 '503 patent each have an element stating "wherein at least one of the geographical
26 coordinates tracking system comprises a GPS." Space Data denies that this element lacks

intelligible meaning. The remaining allegations of this paragraph are legal conclusions to which no response is required. To the extent a response is required, Space Data denies the remaining allegations.

39. The allegations of this paragraph set forth argument and legal conclusions to which no response is required. To the extent a response is required, Space Data denies the allegations of this paragraph.

40. Space Data admits there exists an actual, continuing, justiciable case or controversy between Google and Space Data as to whether the claims of the '503 Patent listed in Space Data's Election of Asserted Claims are valid. Space Data denies that there exists an actual, continuing, justiciable case or controversy between Google and Space Data with respect to the validity of any other claims of the '503 Patent. Space Data denies that there exists an actual, continuing, justiciable case or controversy between Space Data and Google as to the enforceability of any claims of the '503 Patent. Space Data denies any remaining allegations in this paragraph.

41. Space Data denies the allegations in this paragraph.

**COUNTERCLAIM 5: DECLARATORY JUDGMENT OF
NON-INFRINGEMENT OF U.S. PATENT NO. 9,643,706**

42. Space Data incorporates by reference its responses to the allegations of paragraphs 1 through 41 above as its responses to this paragraph.

43. Space Data denies the allegations in this paragraph.

44. Space Data denies the allegations in this paragraph.

45. Space Data denies the allegations in this paragraph.

46. Space Data admits there exists an actual, continuing, justiciable case or controversy between Google and Space Data as to whether the claims of the '706 Patent listed in Space Data's Election of Asserted Claims are infringed by Google. Space Data denies that there exists an actual, continuing, justiciable case or controversy between

1 Google and Space Data with respect to any other claims of the '706 Patent. Space Data
2 denies any remaining allegations in this paragraph.

3 47. Space Data denies the allegations in this paragraph.

4 **COUNTERCLAIM 6: DECLARATORY JUDGMENT OF**
5 **INVALIDITY OF U.S. PATENT NO. 9,643,706**

6 48. Space Data incorporates by reference its responses to the allegations of
7 paragraphs 1 through 47 above as its responses to this paragraph.

8 49. Space Data denies the allegations in this paragraph.

9 50. Space Data admits that it did not invent the idea of using high-altitude balloons
10 for purposes of communication. Space Data denies that any patents, patent applications,
11 and other references, individually and/or in combination, disclose the asserted claims of
12 the '706 Patent. Space Data denies that the asserted claims of the '706 Patent are
13 anticipated and/or rendered obvious by Knoblach, Campbell, Flickinger, Campbell '248,
14 Seligsohn I, GAINS Instrumentation, Chocoi, ICAO, FAA 101, Anderson, Holder,
15 Jumper, and Smith. Space Data denies that Knoblach, Campbell, Flickinger, Campbell
16 '248, Seligsohn I, GAINS Instrumentation, Chocoi, ICAO, FAA 101, Anderson, Holder,
17 Jumper, and Smith disclose "balloon communications system as well as the balloon
18 components and flight-termination devices claimed by the '706" Patent. Space Data
19 denies that Exhibit B demonstrates that each of these references anticipates and/or
20 renders obvious, alone or in combination with any one of the other references, the
21 asserted claims of the '706 Patent. The remaining allegations of this paragraph are legal
22 conclusions to which no response is required. To the extent a response is required, Space
23 Data denies the remaining allegations.

24 51. The allegations of this paragraph set forth speculation, argument, and legal
25 conclusions to which no response is required. To the extent a response is required, Space
26 Data denies the allegations in this paragraph.

52. Space Data denies that the '706 Patent is invalid under 35 U.S.C. § 112. Space Data denies that any of the claims of the '706 Patent, including Claim 29 thereof, are invalid as indefinite because of lack of antecedent basis. Space Data admits that claim 29 of the '706 patent has an element stating "wherein at least one of the geographical coordinates tracking system comprises a GPS." The remaining allegations of this paragraph are legal conclusions to which no response is required. To the extent a response is required, Space Data denies the remaining allegations.

53. The allegations of this paragraph set forth argument and legal conclusions to which no response is required. To the extent a response is required, Space Data denies the allegations of this paragraph.

54. Space Data admits there exists an actual, continuing, justiciable case or controversy between Google and Space Data as to whether the claims of the '706 Patent listed in Space Data's Election of Asserted Claims are valid. Space Data denies that there exists an actual, continuing, justiciable case or controversy between Google and Space Data with respect to the validity of any other claims of the '706 Patent. Space Data denies that there exists an actual, continuing, justiciable case or controversy between Space Data and Google as to the enforceability of any claims of the '706 Patent. Space Data denies any remaining allegations in this paragraph.

55. Space Data denies the allegations in this paragraph.

**COUNTERCLAIM 7: DECLARATORY JUDGMENT OF
NON-INFRINGEMENT OF U.S. PATENT NO. 9,678,193**

56. Space Data incorporates by reference its responses to the allegations of paragraphs 1 through 55 above as its responses to this paragraph.

57. Space Data denies the allegations in this paragraph.

58. Space Data denies the allegations in this paragraph.

59. Space Data denies the allegations in this paragraph.

60. Space Data admits there exists an actual, continuing, justiciable case or controversy between Google and Space Data as to whether the claims of the '193 Patent listed in Space Data's Election of Asserted Claims are infringed by Google. Space Data denies that there exists an actual, continuing, justiciable case or controversy between Google and Space Data with respect to any other claims of the '193 Patent. Space Data denies any remaining allegations in this paragraph.

61. Space Data denies the allegations in this paragraph.

**COUNTERCLAIM 8: DECLARATORY JUDGMENT OF
INVALIDITY OF U.S. PATENT NO. 9,678,193**

62. Space Data incorporates by reference its responses to the allegations of paragraphs 1 through 61 above as its responses to this paragraph.

63. The allegations of this paragraph set forth argument and legal conclusions to which no response is required. To the extent a response is required, Space Data denies the allegations of this paragraph.

64. Space Data admits that it did not invent the idea of using high-altitude balloons for purposes of communication. Space Data denies that any prior art references, individually and/or in combination, disclose any of the asserted claims of the '193 Patent. The allegation that the '193 Patent is anticipated by Knoblach is a legal conclusion to which no response is required. To the extent a response is required, Space Data denies that the '193 Patent is anticipated by Knoblach. Space Data denies that Knoblach is prior art to the '193 Patent. Space Data admits that Knoblach discloses each and every element of the asserted claims of the '193 Patent. Space Data denies that the asserted claims of the '193 Patent are rendered obvious by, either alone or in combination with each other, Campbell, Seigsohn I, '090 patent, Carten, POBAL-S, (LeClaire, GAINS Instrumentation, Girz, Gildenburg, Aaron, Global Aerospace Report, and the AFCRL Report. Space Data denies that Campbell, Seigsohn I, '090 patent, Carten, POBAL-S,

1 (LeClaire, GAINS Instrumentation, Girz, Gildenburg, Aaron, Global Aerospace Report,
2 and the AFCRL Report disclose balloon communications systems as well as horizontal
3 positioning of balloons via altitude control and relative positioning of balloons within the
4 communications system, as claimed by the '193 Patent. The allegation that Knoblach, in
5 combination with the above references, renders the claims of the '193 patents obvious is
6 a legal conclusion to which no response is required. To the extent a responses is
7 required, Space Data denies that Knoblach, in combination with the above references,
8 renders the claims of the '193 Patent obvious. Space Data denies that Exhibit B
9 demonstrates that each of these references anticipates and/or renders obvious, alone or in
10 combination with the other references, the asserted claims of the '193 Patent. The
11 remaining allegations of this paragraph are legal conclusions to which no response is
12 required. To the extent a response is required, Space Data denies the remaining
13 allegations.

14 65. The allegations of this paragraph set forth speculation, argument, and legal
15 conclusions to which no response is required. To the extent a response is required, Space
16 Data denies the allegations in this paragraph.

17 66. The allegations of this paragraph set forth argument and legal conclusions to
18 which no response is required. To the extent a response is required, Space Data denies
19 the allegations of this paragraph.

20 67. Space Data admits there exists an actual, continuing, justiciable case or
21 controversy between Google and Space Data as to whether the claims of the '193 Patent
22 listed in Space Data's Election of Asserted Claims are valid. Space Data denies that there
23 exists an actual, continuing, justiciable case or controversy between Google and Space
24 Data with respect to the validity of any other claims of the '193 Patent. Space Data
25 denies that there exists an actual, continuing, justiciable case or controversy between
26
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Space Data and Google as to the enforceability of any claims of the '193 Patent. Space Data denies any remaining allegations in this paragraph.

68. Space Data denies the allegations in this paragraph.

EXCEPTIONAL CASE

69. Space Data denies that Google is entitled to an award of its attorneys' fees incurred in connection with defending this action pursuant to 35 U.S.C. § 285. Space Data denies that Google does not infringe any valid or enforceable claim of the Patents-in-Suit. Space Data denies that the Patents-in-Suit are invalid and/or unenforceable.

PRAYER FOR RELIEF

These paragraphs set forth the statement of relief requested by Google to which no response is required. Space Data denies any allegations contained in the Prayer for Relief to which a response is required.

Space Data denies each and every allegation of Google's counterclaims not specifically admitted or otherwise responded to above. Space Data specifically denies that Google is entitled to a judgment, with prejudice or otherwise, dismissing Space Data's Complaint against Google. Space Data Specifically denies that Google is entitled to a judgment that the Patents-in-Suit, or any claim thereof, are not infringed, invalid, and unenforceable. Space Data specifically denies that Google is entitled to an order that it is the "prevailing party" with respect to Space Data's patent claims. Space Data specifically denies that Google is entitled to an award granting Google attorney's fees and costs, under law or equity. Space Data specifically denies that Google is entitled to an order that it is the "prevailing party" with respect to Space Data's misappropriation of trade secrets and breach of contract claims. Space Data specifically denies that its misappropriation claims were made in bad faith. Space Data denies that Google is entitled to any award of reasonable attorney's fees and costs, including expert witness fees, pursuant to California Civil Code § 3426.4, 18 U.S.C. § 1836(b)(3)(D) or otherwise.

Space Data specifically denies that Google is entitled to any relief whatsoever of any kind against Space Data as a result of any act of Space Data or any person or entity acting on behalf of Space Data.

AFFIRMATIVE DEFENSES TO COUNTER CLAIMS

Space Data asserts the following affirmative defenses. To the extent any of the defenses, in whole or in part, relates to or negates an element of Google's claims, Space Data in no way seeks to relieve Google of its burden of proof or persuasion on that element. All defenses are pled in the alternative and do not constitute an admission of liability or that Google is entitled to any relief whatsoever. Space Data reserves any and all rights it has under the Federal Rules of Civil Procedure to assert additional defenses and/or counterclaims as additional facts are learned or present themselves during discovery or otherwise during the course of these proceedings.

First Affirmative Defense – Issue Preclusion and Claim Preclusion

(Counterclaim 8)

The doctrines of issue preclusion and claim preclusion preclude Google from relitigating the priority date and invalidity of the asserted claims of '193 Patent. On June 1, 2016, Space Data filed an interference (the "Interference") with the Patent Trial and Appeal Board ("PTAB"). During the Interference, Space Data asserted that it was the senior rights holder of Claims 1-12 and 16-24 of Google's 8,820,678 patent (the "'678 Patent"). Space Data moved for judgement that, as senior rights holder of these claims, the claims should be accorded the benefit of priority to Space Data's U.S. Patent Application No. 09/342,440 filed June 29, 1999. Google, through counsel, indicated that it did not intend to contest priority. The PTAB held that "this concession of priority mooted the need" to consider Space Data's motion for Judgment on Priority. The PTAB further held that Google's indication that it "did not intend to contest priority in this case" was "a concession of priority" and entered final judgment that claims 1-12 and 16-24 of

1 Google's '678 Patent should be cancelled in favor of Space Data. Google did not appeal
2 this judgment at the PTAB or in the Federal Courts. The time for such an appeal has
3 passed.

4 Claim 1 of the '678 Patent thereafter issued as asserted Claim 1 of the '193
5 Patent. Claim 2 of the '678 patent issued as asserted Claim 2 of the '193 Patent. Claim 9
6 of the '678 Patent issued as asserted Claim 4 of the '193 Patent. Claim 21 of the '678
7 Patent was incorporated into asserted Claim 17 of the '193 Patent. Limitations from
8 Claim 1 of the '678 Patent were incorporated into asserted Claim 14 of the '193 Patent.

9 Google had a full and fair opportunity to litigate the issue of priority date and
10 invalidity of asserted Claims 1, 2, 4, 14, and 17 of the '193 Patent at the PTAB. It chose
11 to concede priority instead. In light of Google's concession on the merits of priority, the
12 PTAB entered final judgment against Google. That judgment can no longer be appealed.
13 Google was identified as the real party-in-interest with respect to the '678 Patent in the
14 Interference. Space Data was also identified as the real party interest.

15 Space Data has been prejudiced by Google's conduct, including because it could
16 have asked the PTAB, which is staffed by experts with technical expertise, to fully
17 address priority and invalidity of the claims at issue in the Interference.

18 Google is therefore precluded, under the doctrines of issue preclusion and claim
19 preclusion, from relitigating the issue of priority and invalidity with respect to at least
20 asserted Claims 1, 2, 4, 14, and 17 of the '193 Patent as well as any asserted claims that
21 depend from them. Google had its day in court on these issues with respect to these
22 asserted claims. It had the opportunity to present at the PTAB all the facts and advance
23 all of its arguments on priority and invalidity with respect to these claims. It chose
24 instead to concede.

25 **Second Affirmative Defense – Judicial Estoppel**

26 **(Counterclaim 8)**

27
28 PLAINTIFF SPACE DATA CORPORATION'S
ANSWER AND AFFIRMATIVE DEFENSES
TO DEFENDANTS' COUNTERCLAIMS

Case No. 5:16-cv 03260-BLF (NC)

1 Google cannot assert a position in this proceeding that is contrary to or
 2 inconsistent with the positions that it has taken and continues to take with respect to
 3 certain of the '193 asserted claims at the U.S. Patent and Trademark Office and at other
 4 patent issuing entities in foreign countries.

5 As discussed above, asserted Claims 1, 2, 4, 14, and 17 of the '193 Patent are
 6 either identical to, or substantially similar to, certain claims of Google's '678 Patent.
 7 During prosecution of the application that resulted in the '678 Patent, the purported
 8 inventors of Google's '678 Patent swore that they were aware of their "duty to disclose
 9 information which is material to patentability" and assigned the application to Google.
 10 The applicants for the '678 Patent submitted Information Disclosure Statements to the
 11 PTO disclosing material identical to, or not materially different from, the prior art
 12 references Google now asserts invalidate the asserted claims of the '193 Patent.

13 The PTO rejected then-pending claims 1, 3, 13, and 26 of the '678 Patent, among
 14 others, as being anticipated by Campbell. Google then scheduled an examiner interview,
 15 and argued that a claims amendment would overcome the rejection. The PTO tentatively
 16 agreed and asked that Google submit the amended claims with a detailed explanation of
 17 why the claims—as amended—overcame Campbell.

18 Google then amended then-pending claims 1 and 3 as follows:

- 19 1. (Currently Amended) A method comprising:
 20 determining a location of a target balloon;
 21 determining locations of one or more neighbor balloons relative to
 22 the determined location of the target balloon, wherein the target
 23 balloon comprises a communication system that is operable for
 24 data communication with at least one of the one or more neighbor
 25 balloons;
 26 determining a desired movement of the target balloon based on the

1 determined locations of the one or more neighbor balloons relative
 2 to the determined location of the target balloon, wherein the
 3 desired movement of the target balloon comprises a desired
 4 horizontal movement of the target balloon; and
 5 controlling the target balloon based on the desired movement of
 6 the target balloon, wherein controlling the target balloon based on
 7 the desired movement of the target balloon comprises controlling
 8 an altitude of the target balloon based on the desired horizontal
 9 movement of the target balloon.

10 3. (Currently Amended) The method of claim [[2]] 1, wherein
 11 controlling the altitude of the target balloon based on the desired
 12 horizontal movement of the target balloon comprises:
 13 determining that the desired horizontal movement of the target
 14 balloon can be achieved by exposing the target balloon to ambient
 15 winds of a particular velocity;
 16 determining that ambient winds of the particular velocity are likely
 17 to be available at a particular altitude; and
 18 adjusting the altitude of the target balloon to attain the particular altitude.

19 Google argued to the PTO that the idea of controlling internet balloons by moving
 20 them vertically to catch microwinds to move as desired horizontally, all as part of a
 21 coherent balloon-borne internet constellation, was manifestly novel and not anticipated.
 22 Specifically, Google argued to the PTO:

23 In rejecting claim 2, the Examiner alleged that Campbell discloses
 24 “wherein controlling the target balloon based on the desired
 25 movement of the target balloon comprises controlling an altitude
 26 of the target balloon based on the desired horizontal movement of

the target balloon.” *See* Office Action, pp. 3-4. Applicant submits, however, that Campbell includes no such disclosure. Thus, the feature of “controlling an altitude of the target balloon based on the desired horizontal movement of the target balloon,” as recited in amended claim 1, and the feature of “control an altitude of the balloon based on the desired horizontal movement of the balloon,” recited in amended claim 26, clearly distinguish over Campbell. Accordingly, Applicant submits that claims 1 and 26, as amended, are allowable over Campbell for at least the foregoing reasons. Applicant further submits that claims 3-5, 7-22, 26, 28 and 30-31 are allowable for at least the reason that they form allowable independent claims.

The PTO accepted Google’s position and then-pending claims 1, 3, 5, and 26 of the application thereafter issued as Claims 1, 2, 9, and 21 of ’678 Patent. Priority to these claims was later awarded to Space Data and asserted Claims 1, 2, 4, 14, and 17 of the ’193 Patent are either identical to, or substantially similar to, Claims 1, 2, 9, and 21 of Google’s ’678 Patent.

In addition to doing so in the U.S., Google has prosecuted and argued that claims identical to, substantially similar to, or incorporating Claims 1, 2, 9, and 21 of the ’678 Patent are valid in foreign jurisdictions around the world, including in at least the EU, Brazil, China, Canada, and Australia.

Google has enjoyed the benefit of exclusivity of these claims after telling patent offices around the world the claims are valid. It should be estopped from arguing otherwise in this case.

**Third Affirmative Defense – Waiver, Acquiescence, Ratification, or Consent
(Counterclaim 8)**

1 Google's claims and the relief sought by Google are barred, in whole or in part,
2 by the equitable doctrines of acquiescence, waiver, ratification, or consent. On June 1,
3 2016, Space Data filed an interference (the "Interference") with the Patent Trial and
4 Appeal Board ("PTAB"). During the Interference, Space Data asserted that it was the
5 senior rights holder of Claims 1-12 and 16-24 of Google's 8,820,678 patent (the "'678
6 Patent"). Space Data moved for judgement that, as senior rights holder of these claims,
7 the claims should be accorded the benefit of priority to Space Data's U.S. Patent
8 Application No. 09/342,440 filed June 29, 1999. Google therefore knew that the issue of
9 whether the claims 1-12 and 16-24 of Google's '678 Patent should be accorded the
10 benefit of priority to Space Data's U.S. Patent Application No. 09/342,440, filed June 20,
11 1999, was at issue in the Interference. Google, through counsel, indicated that it did not
12 intend to contest priority. The PTAB held that "this concession of priority mooted the
13 need" to consider Space Data's motion for Judgment on Priority. The PTAB further held
14 that Google's indication that it "did not intend to contest priority in this case" was "a
15 concession of priority" and entered final judgment that Claims 1-12 and 16-24 of
16 Google's '678 Patent should be cancelled in favor of Space Data. Google did not appeal
17 this judgment at the PTAB or in Federal Courts. The time for such an appeal has passed.

18 Claim 1 of the '678 Patent thereafter issued as asserted Claim 1 of the '193
19 Patent. Claim 2 of the '678 patent issued as asserted Claim 2 of the '193 Patent. Claim 9
20 of the '678 Patent issued as asserted Claim 4 of the '193 Patent. Claim 21 of the '678
21 Patent was incorporated into asserted Claim 17 of the '193 Patent. Limitations from
22 Claim 1 of the '678 Patent were incorporated into asserted Claim 14 of the '193 Patent.

23 Google had a full and fair opportunity to litigate the issue of priority date and
24 invalidity of asserted Claims 1, 2, 4, 14, and 17 of the '193 Patent at the PTAB. It chose
25 to concede priority instead. In light of Google's concession on the merits of priority, the
26 PTAB entered final judgment against Google. That judgment can no longer be appealed.

Google was identified as the real party-in-interest with respect to the '678 Patent in the Interference. Space Data was also identified as the real party interest.

Space Data has been prejudiced by Google's conduct, including because it could have asked the PTAB, which is staffed by experts with technical expertise, to fully address priority and invalidity of the claims at issue in the Interference.

Google is therefore precluded, under by the equitable doctrines of acquiescence, waiver, ratification, or consent, from relitigating the issue of priority and invalidity with respect to at least asserted Claims 1, 2, 4, 14, and 17 of the '193 Patent as well as any asserted claims that depend from them. Google consented and acquiesced to judgment on priority. In addition, Google cannot now raise any "issue[] that w[as], or by motion could have properly been, raised and decided" during the Interference, including the validity of the claims at issue during the Interference. *See* 37 C.F.R. § 41.127. Google has therefore waived arguments as to invalidity with respect to at least asserted Claims 1, 2, 4, 14, and 17 of the '193 Patent as well as any asserted claims that depend from them.

Fourth Affirmative Defense – Failure to State a Claim

(Counterclaims 2, 4, 6, and 8)

Google purports to demand a "judgment finding that every asserted claim of the" '941, '193, '503, and '706 Patents are "unenforceable." *See* Google's Counterclaims at ¶¶ 27, 41, 55, 68, and Prayer for Relief. Google's Counterclaims for unenforceability are naked legal conclusions devoid of any factual enhancement whatsoever. Google's Counterclaims for unenforceability therefore fail to state a claim upon which relief may be granted.

Fifth Affirmative Defense – Lack of Subject Matter Jurisdiction

(All Counterclaims)

Google purports to demand "a judgment finding that the" entirety of the '941, '193, '503, and '706 Patents are "not infringed by any of Google's products or services."

1 See Google's Counterclaims at ¶¶ 17, 33, 47, 61, and 69. Google's infringement of
 2 claims of the '941, '193, '503, and '706 Patents other than those listed in Space Data's
 3 Election of Asserted Claims are not at issue in this case. The Court therefore lacks
 4 jurisdiction over Google's counterclaims for non-infringement to the extent Google seeks
 5 judgment that it does not infringe claims of the '941, '193, '503, and '706 Patents other
 6 than those listed in Space Data's Election of Asserted Claims.

7 Google also purports to demand a judgment that the '941, '193, '503, and '706
 8 Patents are "not infringed by *any of Google's products or services*." See Google's
 9 Counterclaims at ¶¶ 17, 33, 47, 61, and 14. Infringement of Google's products and
 10 services, other than those products and services identified in Space Data's Disclosures of
 11 Asserted Claims and Infringement Contentions, are not at issue in this case. The Court
 12 therefore lacks jurisdiction over Google's Counterclaims for non-infringement to the
 13 extent Google seeks judgment that its products and services, other than those identified in
 14 Space Data's Disclosures of Asserted Claims and Infringement Contentions, do not
 15 infringe the '941, '193, '503, and '706 Patents.

16 Google purports to demand a "judgement that the Patents-in-Suit . . . are invalid."
 17 See Google's Counterclaims at Prayer for Relief. Validity of the claims of the '941, '706,
 18 '503, and '193 Patents, other than those listed in Space Data's Election of Asserted
 19 Claims, are not at issue in this case. The Court therefore lacks jurisdiction over Google's
 20 Counterclaims for invalidity to the extent Google seeks judgment that claims other than
 21 those listed in Space Data's Election of Asserted Claims are invalid.

22 **PRAYER FOR RELIEF**

23 WHEREFORE, Space Data requests entry of judgment in its favor and against
 24 Google as follows:

- 25 a. For a judgment dismissing Google's counterclaims against Space Data
- 26 with prejudice; and

b. Any other and further relief that this Court may deem proper and just.

Dated: April 20, 2018

Respectfully submitted,

/s/ Spencer Hosie

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SPACE DATA CORPORATION

PLAINTIFF SPACE DATA CORPORATION'S
ANSWER AND AFFIRMATIVE DEFENSES
TO DEFENDANTS' COUNTERCLAIMS

Case No. 5:16-cv 03260-BLF (NC)